

Message Text

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ORIGIN COME-00

INFO OCT-01 CIAE-00 DODE-00 EB-08 NSAE-00 USIA-06
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DRAFTED BY OEA/CD: JASHYBURGH:LM
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COMMERCE/OEA - CBCLEMENTS
NEA/IRN - BBEALE

-----096044 050034Z /13

R 040047Z AUG 77
FM SECSTATE WASHDC
TO AMEMBASSY TEHRAN

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EXCON

E.O. 11652: N/A

TAGS: ESTC, IR

SUBJECT: PRE-LICENSING CHECK

REF: ECONOMIC DEFENSE MANUAL, CHAPTER 412

1. ACCORDING TO REPORTS RECEIVED BY OEA/CD AN IRANIAN INDIVIDUAL KNOWN AS KAYHAN MOLAVI IS NEGOTIATING WITH U.S. SUPPLIERS FOR UNUSUALLY LARGE QUANTITIES OF VARIOUS HIGHLY STRATEGIC COMPONENT PARTS, PRODUCTION AND TESTING EQUIPMENT WHICH ARE DESIGNED TO BE USED IN THE MANUFACTURING PROCESS OF SEMICONDUCTORS AND INTEGRATED CIRCUITS. REPORTEDLY HIS FIRM, LOCATED AT 9 GANDI AVENUE IN TEHRAN, IS KNOWN AS ELECTRONIC COMPONENTS INDUSTRIES.

2. MOLAVI AND HIS FIRM ARE SAID TO HAVE BEEN COMMISSIONED
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0Y GOI TO BUILD IN IRAN A PRODUCTION FACILITY FOR INTEGRATED CIRCUITS. THE ACQUISITION PROGRAM IN US REPORTEDLY WILL REACH TOTAL OUTLAY 25 MILLION DOLLARS.

3. OEA HAS REASONS TO BE SERIOUSLY CONCERNED ABOUT ATTEMPTS OF LARGE-SCALE PROCUREMENT ACTIVITIES RELATIVE TO COMMODITIES USED IN THE PRODUCTION OF INTEGRATED CIRCUITS

WHICH OFTEN ARE IDENTIFIED AS BEING UNDERTAKEN FOR EVENTUAL DELIVERY TO COMMUNIST-CONTROLLED COUNTRIES IN EUROPE AND THE FAR EAST. BOTH IN COCOM AND NON-COCOM COUNTRIES, VERY EXTENSIVE INVESTIGATIONS HAVE IDENTIFIED FIRMS DECLARED AS ALLEGED ENDUSERS WHICH, WHEN CALLED UPON TO SUBSTANTIATE THEIR LEGITIMATE NEEDS FOR THE NAMED COMMODITIES, WERE FOUND TO ACT AS INTERMEDIARIES FOR ILLEGAL DIVERSIONS. IN SOME INSTANCES, REPRESENTATIONS HAVE BEEN MADE TO OEA THAT PROCUREMENT EFFORTS WERE UNDERTAKEN FOR CLASSIFIED PRODUCTION PROJECTS SPONSORED BY

FOREIGN GOVERNMENTS IN FREE WORLD COUNTRIES WHICH, HOWEVER, COULD NOT BE VERIFIED THROUGH OFFICIAL INQUIRIES WITH FOREIGN GOVERNMENTS CONCERNED.

4. ASIDE FROM BELOW QUOTED LETTER, DATED FEBRUARY 1, 1977 ADDRESSED TO WHOM IT MAY CONCERN, AND SIGNED BY ADMIRAL A. ARDALAN, MANAGING DIRECTOR, IRAN ELECTRONICS INDUSTRIES, P.O. BOX 66-1500, TEHRAN, NOTHING IS KNOWN HERE ABOUT MOLAVI AND HIS FIRM EXCEPT THAT HE IS SAID TO HAVE BEEN UNTIL RECENTLY A PROFESSOR OF ELECTRONIC ENGINEERING AT UNIVERSITY OF MISSOURI IN COLUMBIA. MO.

5. IT IS HOPED THAT INFORMATION CAN BE OBTAINED FROM RELIABLE GOI SOURCES WHICH WILL ENABLE OEA TO ACT, LIMITED OFFICIAL USE

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FAVORABLY OR UNFAVORABLY, ON FUTURE EXPORT LICENSE APPLICATIONS RELATING TO AFORE-MENTIONED PROJECT. IN ORDER TO ASSESS LEGITIMACY OF ANY PURPORTED PLAN TO LAUNCH A PRODUCTION PROGRAM, IT WOULD BE DESIRABLE, THAT THE PROPOSED SITE OF PRODUCTION FACILITY BE VISITED AND EXISTING BUILDING(S) BE INSPECTED TO ASCERTAIN WHETHER REQUIRED DUST-FREE AND AIRCONDITIONED AREAS ARE ALREADY AVAILABLE IN THE PLANT OR ARE PROJECTED TO BE PROVIDED. NUMBER OF PERSONAL (MOSTLY TRAINED ENGINEERS) TO BE EMPLOYED AND ENVISAGED PRODUCTIVITY (VOLUME OF PRODUCTION) SHOULD BE ASCERTAINED.

6. AFOREMENTIONED LETTER READS QUOTE MR KEYHAN MOLAVI, MANAGING DIRECTOR OF ELECTRONIC COMPONENTS INDUSTRIES (ECI), A WHOLLY OWNED SUBSIDIARY OF IRAN ELECTRONICS INDUSTRIES (IEI) IS ON OFFICIAL ASSIGNMENT TO VISIT EUROPE, NORTH AMERICA AND FAR EAST FOR THE PURPOSE OF CONTACTING COMPANIES INVOLVED IN MANUFACTURE OF SEMICONDUCTOR PRODUCTION EQUIPMENT AND ESTABLISHMENT OF SOURCES OF SUPPLY FOR RAW MATERIAL AND FINISHED COMPONENTS. END QUOTE.

7.

NEA IN DEPARTMENT HAS INDEPENDENT INFORMATION FROM FORMER;
UNIVERSITY COLLEAGUES OF MOLAVI AS TO HIS INTENTION TO
ESTABLISH AN ELECTRONICS COMPONENTS MFG FACILITY IN
IRAN UNDER THE AUSPICES OF IEL, WHICH WE REALIZE IS A
WHOLLY GOVERNMENT-OWNED CORPORATION. INFORMATION
REQUESTED PARA 5, SUPRA, WILL BE USEFUL, NEVERTHELESS,
TO EVALUATE APPLICATIONS FOR FUTURE EXPORT APPLICATIONS.
CHRISTOPHER

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Message Attributes

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Decaption Note:
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Subject: PRE-LICENSING CHECK
TAGS: ESTC, IR
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